

# CONTRACT

## AMENDMENT # 1 TO CONTRACT

Between the State of Nevada  
Acting By and Through Its

**Department of Conservation & Natural Resources**  
**901 South Stewart Street, Suite 5001**  
**Carson City, NV 89701-5248**

and

**Westergard Engineering, Inc.**  
**207 Carville Circle**  
**Carson City, NV 89703**

1. AMENDMENTS. For and in consideration of mutual promises and/or their valuable consideration, all provisions of the original contract dated 08/12/08, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

A. \*\* The purpose of this amendment is to extend the current contract term by changing the expiration date from December 31, 2009 to June 30, 2010 and to increase the current contract amount of \$30,000.00 by \$75,000.00 for a new total contract amount of \$105,000.00 .

### Current Contract Language:

\*\* 3. CONTRACT TERM. This Contract shall be effective from September 1, 2008 subject to Board of Examiners' approval (anticipated to be August 12, 2008) to December 31, 2009, unless sooner terminated by either party as specified in paragraph ten (10).

\*\* 6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$ 200.00 per hour (state the exact cost or hourly, daily, or weekly rate exclusive of travel or per diem expenses) with the total Contract or installments payable: monthly, not to exceed \$30,000.00. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

### Amended Contract Language:

\*\* 3. CONTRACT TERM. This Contract shall be effective from September 1, 2008 subject to Board of Examiners' approval (anticipated to be August 12, 2008) to June 30, 2010, unless sooner terminated by either party as specified in paragraph ten (10).

\*\* 6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$ 200.00 per hour (state the exact cost or hourly, daily, or weekly rate exclusive of travel or per diem expenses) with the total Contract or installments payable: monthly, not to exceed \$ 105,000.00. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended contract.

3. REQUIRED APPROVAL. This amendment to the original contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

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## CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada  
Acting By and Through Its

Department of Conservation & Natural Resources  
901 South Stewart Street, Suite 5001  
Carson City, NV 89701-5248  
Phone: (775) 684-2700  
Facsimile: (775) 684-2715

and

Westergard Engineering, Inc.  
207 Carville Circle  
Carson City, Nevada 89703  
Phone: (775) 882-3506  
Facsimile: (775) 882-3506

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor is both necessary and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

2. DEFINITIONS. "State" means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307. "Independent Contractor" means a person or entity that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.

3. CONTRACT TERM. This Contract shall be effective from September 1, 2008 subject to Board of Examiners' approval (anticipated to be August 12, 2008) to December 31, 2009, unless sooner terminated by either party as specified in paragraph ten (10).

4. NOTICE. Unless otherwise specified, termination shall not be effective until 30 calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified above.

5. INCORPORATED DOCUMENTS. The parties agree that the scope of work shall be specifically described. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA: INSURANCE SCHEDULE;

ATTACHMENT BB: SCOPE OF WORK – See attached agreement

A Contractor's Attachment shall not contradict or supersede any State specifications, terms or conditions without written evidence of mutual assent to such change appearing in this Contract.

Approved 05/08/02

Revised 11/07

6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph five (5) at a cost of \$200.00 per hour with the total Contract or installments payable: monthly, not to exceed \$30,000.00. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.

8. TIMELINESS OF BILLING SUBMISSION. The parties agree that timeliness of billing is of the essence to the contract and recognize that the State is on a fiscal year. All billings for dates of service prior to July 1 must be submitted to the State no later than the first Friday in August of the same year. A billing submitted after the first Friday in August, which forces the State to process the billing as a stale claim pursuant to NRS 353.097, will subject the Contractor to an administrative fee not to exceed one hundred dollars (\$100.00). The parties hereby agree this is a reasonable estimate of the additional costs to the State of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to the Contractor.

9. INSPECTION & AUDIT.

a. Books and Records. Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant state agency or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.

c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three (3) years, and for five (5) years if any federal funds are used pursuant to the Contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. CONTRACT TERMINATION.

a. Termination Without Cause. Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties, or unilaterally by either party without cause.

b. State Termination for Non-appropriation. The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.

c. Cause Termination for Default or Breach. A default or breach may be declared with or without termination. This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

i. If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

ii. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

- iii. If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or
- iv. If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or
- v. If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or
- vi. If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.

d. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph four (4), and the subsequent failure of the defaulting party within fifteen (15) calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

e. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

- i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
- ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;
- iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;
- iv. Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with paragraph twenty-one (21).

11. REMEDIES. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation one hundred and twenty-five dollars (\$125.00) per hour for State-employed attorneys. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed one hundred and fifty percent (150%) of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited.

13. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents.

15. INDEPENDENT CONTRACTOR. Contractor is associated with the State only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract, Contractor is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent,

or to otherwise create any liability for the State whatsoever with respect to the indebtedness, liabilities, and obligations of Contractor or any other party. Contractor shall be solely responsible for, and the State shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of the State; (4) participation or contributions by either Contractor or the State to the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage provided by the State. Contractor shall indemnify and hold State harmless from, and defend State against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Contractor nor its employees, agents, nor representatives shall be considered employees, agents, or representatives of the State. The State and Contractor shall evaluate the nature of services and the term of the Contract negotiated in order to determine "independent contractor" status, and shall monitor the work relationship throughout the term of the Contract to ensure that the independent contractor relationship remains as such. To assist in determining the appropriate status (employee or independent contractor), Contractor represents as follows:

<u>Contractor's Initials</u>	
YES	NO
1. Does the Contracting Agency have the right to require control of when, where and how the independent contractor is to work?	<u>D. P. W.</u>
2. Will the Contracting Agency be providing training to the independent contractor?	<u>D. P. W.</u>
3. Will the Contracting Agency be furnishing the independent contractor with worker's space, equipment, tools, supplies or travel expenses?	<u>D. P. W.</u>
4. Are any of the workers who assist the independent contractor in performance of his/her duties employees of the State of Nevada?	<u>D. P. W.</u>
5. Does the arrangement with the independent contractor contemplate continuing or recurring work (even if the services are seasonal, part-time, or of short duration)?	<u>D. P. W.</u>
6. Will the State of Nevada incur an employment liability if the independent contractor is terminated for failure to perform?	<u>D. P. W.</u>
7. Is the independent contractor restricted from offering his/her services to the general public while engaged in this work relationship with the State?	<u>D. P. W.</u>

16. INSURANCE SCHEDULE. Unless expressly waived in writing by the State, Contractor, as an independent contractor and not an employee of the State, must carry policies of insurance and pay all taxes and fees incident hereunto. Policies shall meet the terms and conditions as specified within this Contract along with the additional limits and provisions as described in Attachment AA, incorporated hereto by attachment. The State shall have no liability except as specifically provided in the Contract.

The Contractor shall not commence work before:

- 1) Contractor has provided the required evidence of insurance to the Contracting Agency of the State, and
- 2) The State has approved the insurance policies provided by the Contractor.

Prior approval of the insurance policies by the State shall be a condition precedent to any payment of consideration under this Contract and the State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

**Insurance Coverage:** The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract insurance conforming to the minimum limits as specified in Attachment BB, incorporated hereto by attachment. Unless specifically stated herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until:

1. Final acceptance by the State of the completion of this Contract; or
  2. Such time as the insurance is no longer required by the State under the terms of this Contract;
- Whichever occurs later.



Any insurance or self-insurance available to the State shall be in excess of, and non-contributing with, any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

**General Requirements:**

- a. **Additional Insured:** By endorsement to the general liability insurance policy evidenced by Contractor, the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 shall be named as additional insureds for all liability arising from the Contract.
- b. **Waiver of Subrogation:** Each insurance policy shall provide for a waiver of subrogation against the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 for losses arising from work/materials/equipment performed or provided by or on behalf of the Contractor.
- c. **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- d. **Deductibles and Self-Insured Retentions:** Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed fifty thousand dollars (\$50,000.00) per occurrence, unless otherwise approved by the Risk Management Division.
- e. **Policy Cancellation:** Except for ten (10) days notice for non-payment of premium, each insurance policy shall be endorsed to state that without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address shown on page one (1) of this contract.
- f. **Approved Insurer:** Each insurance policy shall be:
  - 1) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made; and
  - 2) Currently rated by A.M. Best as "A-VII" or better.

**Evidence of Insurance:**

Prior to the start of any Work, Contractor must provide the following documents to the contracting State agency:

- 1) **Certificate of Insurance:** The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor. The certificate must name the State of Nevada, its officers, employees and immune contractors as defined in NRS 41.0307 as the certificate holder. The certificate should be signed by a person authorized insurer to bind coverage on its behalf. The state project/contract number; description and contract effective dates shall be noted on the certificate, and upon renewal of the policies listed Contractor shall furnish the State with replacement certificates as described within Insurance Coverage, section noted above.

**Mail all required insurance documents to the State Contracting Agency identified on page one of the contract.**

- 2) **Additional Insured Endorsement:** An Additional Insured Endorsement (CG 20 10 11 85 or CG 20 26 11 85) , signed by an authorized insurance company representative, must be submitted to the State to evidence the endorsement of the State as an additional insured per General Requirements, subsection a above.
- 3) **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

**Review and Approval:** Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its sub-contractors,

employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

17. COMPLIANCE WITH LEGAL OBLIGATIONS. Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. The State may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

18. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20. ASSIGNMENT/DELEGATION. To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations nor duties under this Contract without the prior written consent of the State.

21. STATE OWNERSHIP OF PROPRIETARY INFORMATION. Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under the Contract), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of the State and all such materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Contractor's obligations under this Contract without the prior written consent of the State. Notwithstanding the foregoing, the State shall have no proprietary interest in any materials licensed for use by the State that are subject to patent, trademark or copyright protection.

22. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State has a legal obligation to disclose such information unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.

24. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this Contract:

- a. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

25. LOBBYING. The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

- a. Any federal, state, county or local agency, legislature, commission, counsel or board;
- b. Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or
- c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

26. WARRANTIES.

a. General Warranty. Contractor warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

b. System Compliance. Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multi-century formulas and data values and date data interface values that reflect the century.

27. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.

28. GOVERNING LAW; JURISDICTION. This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of the First Judicial District Court, Carson City, Nevada for enforcement of this Contract.

29. ENTIRE CONTRACT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Robert P. Winterger 7-14-08  
Independent Contractor's Signature Date

President  
Independent's Contractor's Title

Bill B. Wray 7/9/08  
Signature Date

DENR DIRECTOR  
Title

Audrey Brooks-Scott 7/14/08  
Signature Date

MANAGEMENT ANALYST III  
Title

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Title

[Signature]  
Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

Approved as to form by:  
[Signature]  
Deputy Attorney General for Attorney General

On 8-12-08  
(Date)

On 11 JUL 08  
(Date)

ATTACHMENT AA  
INSURANCE SCHEDULE

**INDEMNIFICATION CLAUSE:**

Contractor shall indemnify, hold harmless and, not excluding the State's right to participate, defend the State, its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs, (hereinafter referred to collectively as "claims") for bodily injury or personal injury including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State.

**INSURANCE REQUIREMENTS:**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

**1. Commercial General Liability – Occurrence Form - *Waived***

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- General Aggregate \$
- Products – Completed Operations Aggregate \$
- Personal and Advertising Injury \$
- Each Occurrence \$

- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$300,000

- a. The policy shall be endorsed to include the following additional insured language: "The State of Nevada shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. **Worker's Compensation and Employers' Liability - See attached Affidavit of Rejection**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$
Disease – Each Employee	\$
Disease – Policy Limit	\$

- a. Policy shall contain a waiver of subrogation against the State of Nevada.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under N.R.S., **AND** when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

4. **Professional Liability (Errors and Omissions Liability) - Waived**

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$
Annual Aggregate	\$

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be

exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the State of Nevada, Department of Conservation & Natural Resources is named as an additional insured, the State of Nevada shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the State, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to: Department of Conservation & Natural Resources, Attention: Erika Galindo, 901 South Stewart Street, Suite 5001, Carson City, Nevada 89701-5244.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Nevada and with an "A.M. Best" rating of not less than A-VII. The State in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State with certificates of insurance (ACORD form or equivalent approved by the State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the State before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

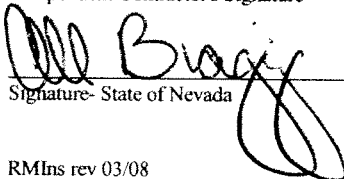
All certificates required by this Contract shall be sent directly to Department of Conservation & Natural Resources, Attention: Erika Galindo, 901 South Stewart Street, Suite 5001, Carson City, Nevada 89701-5244. The State project/contract number and project description shall be noted on the certificate of insurance. The State reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insureds under its policies **or** Contractor shall furnish to the State separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the Risk Management Division or the Attorney General's Office, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

 7-14-08  
Independent Contractor's Signature Date

President  
Independent's Contractor's Title

 7/9/08  
Signature- State of Nevada Date

DNR DIRECTOR  
Title



STATE OF NEVADA                   )  
  ) ss.

1. I make the following assertions in accordance with Nevada Revised Statutes (NRS) 616B.627 and 617.210.
2. I am a sole proprietor who will not use the services of any employees in the performance of this Contract with the State of Nevada.
3. Pursuant to NRS 616B.659(1), I have not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of the NRS, to secure for myself compensation equivalent to that which an employee is entitled for any accidental injury sustained by myself which arises out of and in the course of my self-employment by filing a written notice of election with the Administrator and a private carrier.
4. I am otherwise in compliance with the terms, conditions and provisions of chapters 616A to 616D, inclusive, of the NRS.
5. Pursuant to NRS 617.225(1), I have not elected to be included within the terms, conditions and provisions of chapter 617 of the NRS, to secure for myself compensation equivalent to that to which an employee is entitled for any occupational disease contracted by myself which arises out of and in the course of my self-employment by filing a written notice of election with the Administrator and a private carrier.
6. I am otherwise in compliance with the terms, conditions and provisions of chapter 617 of the NRS.
7. I acknowledge that the State of Nevada will not be considered to be my employer, and that the State of Nevada is not liable as a principal contractor to me for any compensation or other damages as a result of an industrial injury or occupational disease incurred in the performance of this Contract.

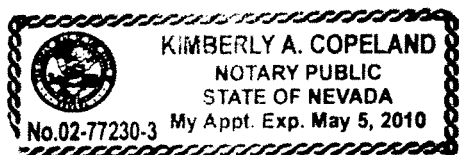
8. Further affiant sayeth not.

I, Roland Westergard, do hereby swear under penalty of perjury that the assertions of this affidavit are true.

NAME *Roland P. Westergard*

SIGNED and SWORN to before me this 14<sup>th</sup> day of July, 2008,

by *Roland P. Westergard*



*Kimberly A. Copeland*  
NOTARY PUBLIC

AGREEMENT

THIS AGREEMENT, effective upon approval by the Board of Examiners, by and between the DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES OF THE STATE OF NEVADA, hereinafter referred to as "DCNR", and ROLAND D. WESTERGARD, hereinafter referred to as "Consultant";

WITNESSETH:

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and,

WHEREAS, P.L. 101-618 which was enacted by the Congress of the United States provides that the States of Nevada and California and the Secretary of Interior shall negotiate a Truckee River operating agreement and provides that the State of Nevada perform other acts and duties related to administration of water rights and management of water supplies of Lake Tahoe and the Truckee and Carson Rivers; and

WHEREAS, the State of Nevada is a party to litigation involving Lake Tahoe and the Truckee and Carson Rivers and portions of P.L. 101-618 effectiveness is dependent on dismissal of certain litigation; and

WHEREAS, P.L. 101-618 provides that the requirements of the National Environmental Policy Act and Regulations issued to implement the provisions thereof be satisfied; and

WHEREAS, an Environmental Impact Statement/Environmental Impact Report is required by the environmental review process; and

WHEREAS, the required Statement/Report is currently under development and review; and

WHEREAS, DCNR deems it necessary and desirable and in the best interests of the State of Nevada to have the services of an advisor for the purposes of preparation and presentation of the position on behalf of the State of Nevada in the afore described actions; and

WHEREAS, Consultant represents that he is duly qualified and able to render the services hereinafter described;

NOW, THEREFORE, IT IS AGREED as follows:

1. Consultant shall act as an advisor to the State of Nevada in the preparation and presentation of the State's position in the above-described actions, and related matters.
2. In furtherance thereof, Consultant agrees to make such related studies and investigations as DCNR deems necessary for the preparation and presentation of the State's position.
3. The nature and extent of said studies and investigations shall be as specified by DCNR, but the methods and procedures to be utilized in accomplishing the work shall be determined by Consultant.
4. Consultant agrees from time to time, when called upon by DCNR, to provide written reports as to the status of the work and the findings and conclusions obtained from it.
5. Consultant's charges for his services hereunder shall be in accordance with the schedule of charges attached hereto as Exhibit "A", provided

however, the maximum amount payable under this contract shall not exceed \$30,000.00, which costs include travel and all of the expenses incurred by Consultant in performance of this contract.

6. Consultant shall submit statements for his services hereunder to the State of Nevada on a monthly basis. Payment will be made from funds appropriated to DCNR. However, it is anticipated that funds expended will be reimbursed by the United States Commissioner of Reclamation under P.L. 108-7, 2/20/03.

7. The term of this Agreement is one and one-quarter (1 <sup>1</sup>/<sub>4</sub>) years, commencing upon Board of Examiner's approval.

This Contract may be revoked without cause by the State of Nevada upon thirty (30) days written notice of revocation to Consultant. The continued performance by the State of Nevada is also conditioned upon sufficient funds being available appropriated to DCNR.

8. The materials and information gathered and compiled by Consultant in its performance of this Agreement shall be treated confidential and shall not be divulged to others except with the approval of DCNR.

9. This Contract shall be construed and interpreted according to the laws of the State of Nevada.

10. The Consultant shall neither assign, transfer, nor delegate any rights, obligations or duties under this Agreement without the prior written consent of the State.

11. The books, records, documents and accounting procedures and practices of the Consultant relevant to this Agreement shall be subject to inspection, examination and audit by the State, or the State Legislative Auditor.
12. Any reports, studies, photographs, negatives or other documents or drawings prepared by Consultant in the performance of its obligations under this Agreement shall be the exclusive property of the State and all such materials shall be remitted to the State by Consultant upon completion, termination or cancellation of this Contract. Consultant shall not use, willingly allow or cause to have such materials used for any purpose other than the performance of Consultant's obligations under this Agreement without the prior written consent of the State.
13. Consultant agrees to indemnify and save and hold the State, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Agreement by Consultant or Consultant's agents or employees.
14. The parties agree that Consultant is an independent contractor and that this Contract is entered into in accordance with NRS 284.173, which statute in pertinent part provides that the Consultant is not a State employee, and

"There shall be no:

- 1) Withholding of income taxes by the State;
- 2) Industrial insurance coverage provided by the State;
- 3) Participation in group insurance plans which may be available to employees of the State;

- 4) Participation or contributions by either the independent contractor or the State to the public employees retirement system;
- 5) Accumulation of vacation leave or sick leave;
- 6) Unemployment compensation coverage provided by the State if the requirements of NRS 712.085 for independent contractors are met.”
15. This Contract constitutes the entire Agreement between the parties and may only be modified by a written amendment signed by the parties and approved by the Board of Examiners.
16. It is expressly understood and agreed that this Contract is subject to the approval of the Board of Examiners and the State of Nevada is not obligated under this Contract prior to such approval.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the

14th day of July, 2008.

DEPARTMENT OF CONSERVATION  
AND NATURAL RESOURCES  
THE STATE OF NEVADA

By Allen Biaggi  
Allen Biaggi, Director

WESTERGARD ENGINEERING, INC.

By Roland D. Westergard  
Roland D. Westergard

EXHIBIT A

FEE SCHEDULE

September 1, 2008

Listed herein is a schedule of fees for engineering services by Westergard Engineering Inc.

PROFESSIONAL

RATE/HOUR

Consultant

\$200.00

OFFICE

Clerical

\$20.00 - \$30.00

Mileage

Current State Rate

Per Diem

Current State Rate




# CONTRACT

## CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada  
Acting By and Through Its  
Department of Conservation & Natural Resources  
901 South Stewart Street, Suite 5001  
Carson City, NV 89701-5248  
Phone: (775) 684-2700  
Facsimile: (775) 684-2715

(NAME, ADDRESS, PHONE AND FACSIMILE NUMBER OF CONTRACTING AGENCY)

and  
Westergard Engineering, Inc.  
207 Carville Circle  
Carson City, Nevada 89703  
Phone: (775) 882-3506  
Facsimile (775) 882-3506  


(NAME, ADDRESS, PHONE, FACSIMILE NUMBER, FEDERAL ID, NUMBER OF INDEPENDENT CONTRACTOR)

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor are both necessary and in the best interests of the State of Nevada;  
NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.
2. DEFINITIONS. "State" means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS §41.0307. "Independent Contractor" means a person or entity that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.
3. CONTRACT TERM. This Contract shall be effective from September 1, 2007 to August 31, 2008, unless sooner terminated by either party as specified in paragraph (9).
4. NOTICE. Unless otherwise specified, termination shall not be effective until 30 calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified above.
5. INCORPORATED DOCUMENTS. The parties agree that the scope of work shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence; a Contractor's Attachment shall not contradict or supersede any State specifications, terms or conditions without written evidence of mutual assent to such change appearing in this Contract:  
ATTACHMENT AA: SCOPE OF WORK -- See Attached Agreement  
ATTACHMENT BB: AFFIDAVIT OF REJECTION OF COVERAGE
6. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of

4 22

\$ 150.00 per hour (state the exact cost or hourly, daily, or weekly rate exclusive of travel or per diem expenses) with the total Contract or installments payable: monthly, not to exceed \$ 18,000.00. The State does not agree to reimburse Contractor for expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.

8. TIMELINESS OF BILLING SUBMISSION. The parties agree that timeliness of billing is of the essence to the contract and recognize that the State is on a fiscal year. All billings for dates of service prior to July 1 must be submitted to the State no later than the first Friday in August of the same year. A billing submitted after the first Friday in August, which forces the State to process the billing as a stale claim pursuant to NRS 353.097, will subject the Contractor to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to the State of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to the Contractor.

9. INSPECTION & AUDIT.

a. Books and Records. Contractor agrees to keep and maintain under general accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant state agency or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.

c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used in the Contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. CONTRACT TERMINATION.

a. Termination Without Cause. Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

b. State Termination for Nonappropriation. The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.

c. Cause Termination for Default or Breach. A default or breach may be declared with or without termination. This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

i. If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

ii. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

iii. If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

iv. If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or

v. If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of

the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

vi. If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.

d. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph (4), and the subsequent failure of the defaulting party within 15 calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

e. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

- i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
- ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;
- iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;
- iv. Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with paragraph (20).

11. REMEDIES. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for State-employed attorneys. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed 150% of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited.

13. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents.

15. INDEPENDENT CONTRACTOR. Contractor is associated with the State only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract, Contractor is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for the State whatsoever with respect to the indebtedness, liabilities, and obligations of Contractor or any other party. Contractor shall be solely responsible for, and the State shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of the State; (4) participation or contributions by either Contractor or the State to the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage provided by the State. Contractor shall indemnify and hold State harmless from, and defend State against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Contractor nor its employees, agents, or representatives shall be considered employees, agents, or representatives of the State. The State and Contractor shall evaluate the nature of services and term negotiated in order to determine "independent contractor" status and shall monitor the work relationship throughout the term of the Contract to ensure

that the independent contractor relationship remains as such. To assist in determining the appropriate status (employee or independent contractor), Contractor represents as follows:

<u>Contractor's Initials</u>	
YES	NO
1. Does the Contracting Agency have the right to require control of when, where and how the independent contractor is to work?	<u>A.P.W.</u>
2. Will the Contracting Agency be providing training to the independent contractor?	<u>A.P.W.</u>
3. Will the Contracting Agency be furnishing the independent contractor with worker's space, equipment, tools, supplies or travel expenses?	<u>A.P.W.</u> <u>A.P.W.</u>
4. Are any of the workers who assist the independent contractor in performance of his/her duties employees of the State of Nevada?	<u>A.P.W.</u>
5. Does the arrangement with the independent contractor contemplate continuing or recurring work (even if the services are seasonal, part-time, or of short duration)?	<u>A.P.W.</u>
6. Will the State of Nevada incur an employment liability if the independent contractor is terminated for failure to perform?	<u>A.P.W.</u>
7. Is the independent contractor restricted from offering his/her services to the general public while engaged in this work relationship with the State?	<u>A.P.W.</u>

16. INSURANCE SCHEDULE. Unless expressly waived in writing by the State, Contractor, as an independent contractor and not an employee of the State, must carry policies of insurance in amounts specified in this Insurance Schedule and pay all taxes and fees incident hereunto. The State shall have no liability except as specifically provided in the Contract. The Contractor shall not commence work before:

- 1) Contractor has provided the required evidence of insurance to the Contracting Agency of the State, and
- 2) The State has approved the insurance policies provided by the Contractor.

Prior approval of the insurance policies by the State shall be a condition precedent to any payment of consideration under this Contract and the State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

**Insurance Coverage:** The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until the latter of:

1. Final acceptance by the State of the completion of this Contract; or
2. Such time as the insurance is no longer required by the State under the terms of this Contract.

Any insurance or self-insurance available to the State shall be excess of and non-contributing with any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

**Workers' Compensation and Employer's Liability Insurance – SEE ATTACHED AFFIDAVIT OF REJECTION**

- 1) Contractor shall provide proof of worker's compensation insurance as required of Nevada Revised Statutes Chapters 616A through 616D inclusive.
- 2) Employer's Liability insurance with a minimum limit of \$500,000 each employee per accident for bodily injury by accident or disease.

If this contract is for temporary or leased employees, an *Alternate Employer* endorsement must be attached to the Contractor's workers' compensation insurance policy.

- 3) If the Contractor qualifies as a sole proprietor as defined in NRS Chapter 616A.310, and has elected to not purchase industrial insurance for himself/herself, the sole proprietor must submit to the contracting State agency a fully executed "Affidavit of Rejection of Coverage Under NRS 616B627 and NRS 617.210" form.

**Commercial General Liability Insurance - WAIVED PER RISK MANAGEMENT**

- 1) Minimum Limits required:

\$ _____	General Aggregate
\$ _____	Products & Completed Operations Aggregate
\$ _____	Personal and Advertising Injury
\$ _____	Each Occurrence

- 2) Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

**Business Automobile Liability Insurance**

- 1) Minimum Limit required: **\$300,000.00** Each Occurrence for bodily injury and property damage.
- 2) Coverage shall be for "any auto" (including owned, non-owned and hired vehicles).  
The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

**Professional Liability Insurance - WAIVED PER RISK MANAGEMENT**

- 1) Minimum Limit required: \$ \_\_\_\_\_ Each Claim
- 2) Retroactive date: Prior to commencement of the performance of the contract
- 3) Discovery period: Three (3) years after termination date of contract.
- 4) A certified copy of this policy may be required.

**Umbrella or Excess Liability Insurance - WAIVED PER RISK MANAGEMENT**

- 1) May be used to achieve the above minimum liability limits.
- 2) Shall be endorsed to state it is "As Broad as Primary Policy"

**Commercial Crime Insurance - WAIVED PER RISK MANAGEMENT**

Minimum Limit required: \$ \_\_\_\_\_ Per Loss for Employee Dishonesty

This insurance shall be underwritten on a blanket form amending the definition of "employee" to include all employees of the Vendor regardless of position or category.

**Performance Security - WAIVED PER RISK MANAGEMENT**

Amount required: \$ \_\_\_\_\_

- 1) Security may be in the form of surety bond, Certificate of Deposit or Treasury Note payable to the State of Nevada, only.
- 2) The security shall be deposited with the contracting State agency no later than ten (10) working days following award of the Contract to Contractor.
- 3) Upon successful Contract completion, the security and all interest earned, if any, shall be returned to the Contractor.

**General Requirements:**

- a. Additional Insured: By endorsement to the general liability insurance policy evidenced by Contractor, *The State of Nevada, (the agency), its officers, employees and immune contractors* as defined in NRS41.0307 shall be named as additional insureds for all liability arising from the Contract.
- b. Waiver of Subrogation: Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.
- c. Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- d. Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval

shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by the Risk Management Division.

- e. Policy Cancellation: Except for ten days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address shown below.
- f. Approved Insurer: Each insurance policy shall be:
  - 1) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and
  - 2) Currently rated by A.M. Best as "A- VII" or better.

#### **Evidence of Insurance:**

Prior to the start of any Work, Contractor must provide the following documents to the contracting State agency:

- 1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor.
- 2) Additional Insured Endorsement: An Additional Insured Endorsement (CG20 10 or C20 26) , signed by an authorized insurance company representative, **must** be submitted to the State to evidence the endorsement of the State as an additional insured per General Requirements, Subsection a above.
- 3) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

Review and Approval: Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its sub-contractors, employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

**Mail all required insurance documents to the Contracting Agency identified on page one of the contract.**

17. COMPLIANCE WITH LEGAL OBLIGATIONS. Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. The State may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

18. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20. ASSIGNMENT/DELEGATION. To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written consent of the State.

21. STATE OWNERSHIP OF PROPRIETARY INFORMATION. Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under the Contract), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of the State and all such materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract.

Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Contractor's obligations under this Contract without the prior written consent of the State. Notwithstanding the foregoing, the State shall have no proprietary interest in any materials licensed for use by the State that are subject to patent, trademark or copyright protection.

22. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.

24. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this Contract:

a. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

25. LOBBYING. The parties agree, whether expressly prohibited by federal, State or local law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

a. Any federal, state, county or local agency, legislature, commission, counsel or board;

b. Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or

c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

26. WARRANTIES.

a. General Warranty. Contractor warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

b. System Compliance. Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multcentury formulas and data values and date data interface values that reflect the century. Pursuant to NRS 41.0321, the State is immune from liability due to any failure of any incorrect date being produced, calculated or generated by a computer or other information system.

27. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.

28. GOVERNING LAW; JURISDICTION. This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-interest that



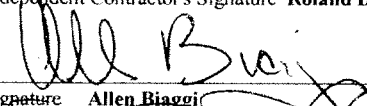
would require the application of the law of any other jurisdiction. Contractor consents to the jurisdiction of the Nevada district courts for enforcement of this Contract.

29. ENTIRE CONTRACT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

  
Independent Contractor's Signature Roland D. Westergard Date \_\_\_\_\_

Contractor - Consultant  
Independent's Contractor's Title

  
Signature Allen Biaggi Date 8/17/07


Director  
Title

  
Signature Rex Reed Date 8/17/07

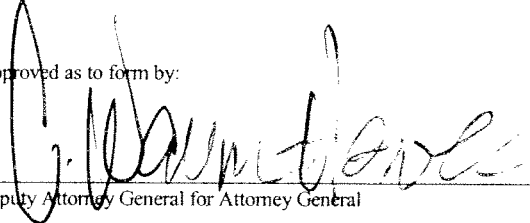
DCNR Fiscal Services ASO IV  
Title

\_\_\_\_\_  
Signature \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_  
Title \_\_\_\_\_

  
Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

Approved as to form by:  
  
Deputy Attorney General for Attorney General

On 10-8-07  
(Date)

On 17 AUG 07  
(Date)

AGREEMENT

THIS AGREEMENT, effective upon approval by the Board of Examiners, by and between the DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES OF THE STATE OF NEVADA, hereinafter referred to as "DCNR", and ROLAND D. WESTERGARD, hereinafter referred to as "Consultant";

WITNESSETH:

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and,

WHEREAS, P.L. 101-618 which was enacted by the Congress of the United States provides that the States of Nevada and California and the Secretary of Interior shall negotiate a Truckee River operating agreement and provides that the State of Nevada perform other acts and duties related to administration of water rights and management of water supplies of Lake Tahoe and the Truckee and Carson Rivers; and

WHEREAS, the State of Nevada is a party to litigation involving Lake Tahoe and the Truckee and Carson Rivers and portions of P.L. 101-618 effectiveness is dependent on dismissal of certain litigation; and

WHEREAS, P.L. 101-618 provides that the requirements of the National Environmental Policy Act and Regulations issued to implement the provisions thereof be satisfied; and

WHEREAS, an Environmental Impact Statement/Environmental Impact Report is required by the environmental review process; and

WHEREAS, the required Statement/Report is currently under development and review; and

WHEREAS, DCNR deems it necessary and desirable and in the best interests of the State of Nevada to have the services of an advisor for the purposes of preparation and presentation of the position on behalf of the State of Nevada in the afore described actions; and

WHEREAS, Consultant represents that he is duly qualified and able to render the services hereinafter described;

NOW, THEREFORE, IT IS AGREED as follows:

1. Consultant shall act as an advisor to the State of Nevada in the preparation and presentation of the State's position in the above-described actions, and related matters.
2. In furtherance thereof, Consultant agrees to make such related studies and investigations as DCNR deems necessary for the preparation and presentation of the State's position.
3. The nature and extent of said studies and investigations shall be as specified by DCNR, but the methods and procedures to be utilized in accomplishing the work shall be determined by Consultant.
4. Consultant agrees from time to time, when called upon by DCNR, to provide written reports as to the status of the work and the findings and conclusions obtained from it.
5. Consultant's charges for his services hereunder shall be in accordance with the schedule of charges attached hereto as Exhibit "A", provided

however, the maximum amount payable under this contract shall not exceed \$18,000.00 per year, which costs include travel and all of the expenses incurred by Consultant in performance of this contract.

6. Consultant shall submit statements for his services hereunder to the State of Nevada on a monthly basis. Payment will be made from funds appropriated to DCNR. However, it is anticipated that funds expended will be reimbursed by the United States Commissioner of Reclamation under P.L. 108-7, 2/20/03.

7. The term of this Agreement is one (1) year, commencing upon Board of Examiner's approval.

This Contract may be revoked without cause by the State of Nevada upon thirty (30) days written notice of revocation to Consultant. The continued performance by the State of Nevada is also conditioned upon sufficient funds being available appropriated to DCNR.

8. The materials and information gathered and compiled by Consultant in its performance of this Agreement shall be treated confidential and shall not be divulged to others except with the approval of DCNR.
9. This Contract shall be construed and interpreted according to the laws of the State of Nevada.
10. The Consultant shall neither assign, transfer, nor delegate any rights, obligations or duties under this Agreement without the prior written consent of the State.

11. The books, records, documents and accounting procedures and practices of the Consultant relevant to this Agreement shall be subject to inspection, examination and audit by the State, or the State Legislative Auditor.
12. Any reports, studies, photographs, negatives or other documents or drawings prepared by Consultant in the performance of its obligations under this Agreement shall be the exclusive property of the State and all such materials shall be remitted to the State by Consultant upon completion, termination or cancellation of this Contract. Consultant shall not use, willingly allow or cause to have such materials used for any purpose other than the performance of Consultant's obligations under this Agreement without the prior written consent of the State.
13. Consultant agrees to indemnify and save and hold the State, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Agreement by Consultant or Consultant's agents or employees.
14. The parties agree that Consultant is an independent contractor and that this Contract is entered into in accordance with NRS 284.173, which statute in pertinent part provides that the Consultant is not a State employee, and

"There shall be no:

- 1) Withholding of income taxes by the State;
- 2) Industrial insurance coverage provided by the State;
- 3) Participation in group insurance plans which may be available to employees of the State;

- 4) Participation or contributions by either the independent contractor or the State to the public employees retirement system;
- 5) Accumulation of vacation leave or sick leave;
- 6) Unemployment compensation coverage provided by the State if the requirements of NRS 712.085 for independent contractors are met.”

15. This Contract constitutes the entire Agreement between the parties and may only be modified by a written amendment signed by the parties and approved by the Board of Examiners.
16. It is expressly understood and agreed that this Contract is subject to the approval of the Board of Examiners and the State of Nevada is not obligated under this Contract prior to such approval.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the

17<sup>th</sup> day of August, 2007.

DEPARTMENT OF CONSERVATION  
AND NATURAL RESOURCES  
THE STATE OF NEVADA

By   
Allen Biaggi, Director

WESTERGARD ENGINEERING, INC.

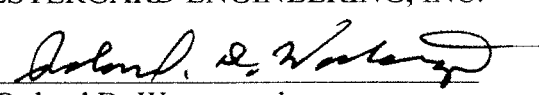
By   
Roland D. Westergard

EXHIBIT A  
FEE SCHEDULE

August 16, 2007

Listed herein is a schedule of fees for engineering services by Westergard Engineering

PROFESSIONAL

RATE/HOUR

Consultant

\$150.00

OFFICE

Clerical

\$20.00 - \$30.00

Mileage

Current State Rate

Per Diem

Current State Rate

**AFFIDAVIT OF REJECTION OF COVERAGE**

**PURSUANT TO NEVADA REVISED STATUTES 616B.627 and 617.210**

STATE OF NEVADA )

) ss.

Carson City COUNTY )

I, Roland D. Westergard, do hereby swear under penalty of perjury that the assertions in this affidavit are true.

1. I make the following assertions in accordance with Nevada Revised Statutes (NRS) 616B.627 and 617.210.
2. I am a sole proprietor who will not use the services of any employees in the performance of this Contract with the State of Nevada.
3. Pursuant to NRS 616B.659(1), I have not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of the NRS, to secure for myself compensation equivalent to that which an employee is entitled for any accidental injury sustained by myself which arises out of and in the course of my self-employment by filing a written notice of election with the Administrator and a private carrier.
4. I am otherwise in compliance with the terms, conditions and provisions of chapters 616A to 616D, inclusive, of the NRS.
5. Pursuant to NRS 617.225(1), I have not elected to be included within the terms, conditions and provisions of chapter 617 of the NRS, to secure for myself compensation equivalent to that to which an employee is entitled for any occupational disease contracted by myself which arises out of and in the course of my self-employment by filing a written notice of election with the Administrator and a private carrier.
6. I am otherwise in compliance with the terms, conditions and provisions of chapter 617 of the NRS.
7. I acknowledge that the State of Nevada will not be considered to be my employer, and that the State of Nevada is not liable as a principal contractor to me for any compensation or other damages as a result of an industrial injury or occupational disease incurred in the performance of this Contract.



8. Further affiant sayeth not.

I, Roland D. Westergard, do hereby swear under penalty of perjury that the assertions of this affidavit are true.

NAME

Roland D. Westergard

SIGNED and SWORN to before me this 18TH day of AUGUST, 2007,

by

Roland D. Westergard



Sandra D. Quilici

NOTARY PUBLIC

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# CONTRACT

## AMENDMENT #2 TO CONTRACT

Between the State of Nevada  
Acting By and Through Its

Department of Conservation and Natural Resources  
901 S. Stewart Street, Suite 5001  
Carson City, Nevada 89701-5244

and

Westergard Engineering  
207 Carville Circle  
Carson City, NV 89703

1. AMENDMENTS. For and in consideration of mutual promises and/or other valuable consideration, all provisions of the original contract dated September 18, 2003, and the subsequent contract amendment # 1, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

### Current Contract Language:

- a. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$120.00 per hour with the total Contract or installments payable: monthly with the original contract amount of \$9,999.00 increased by \$40,001.00 for a total amount of \$50,000.00.

### Amended Language:

- a. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$120.00 per hour with the total Contract or installments payable: monthly with the original contract amount of \$50,000.00 increased by \$18,500.00 for a total amount of \$68,500.00.
2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract and Amendment # 1) is attached hereto, incorporated by reference herein and made a part of this amended contract.
3. REQUIRED APPROVAL. This amendment to the original contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

[Signature]  
Independent Contractor's Signature

3-21-07 President  
Date Independent's Contractor's Title

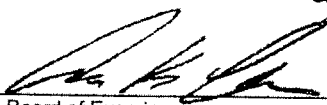
[Signature]  
Signature

3/15/07 DIRECTOR  
Date Title

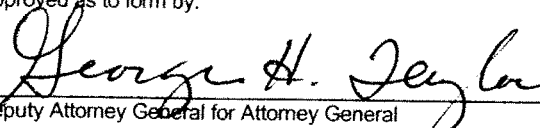
[Signature]  
Signature

3/15/07 ASOTV  
Date Title

195

  
\_\_\_\_\_  
Signature - Board of Examiners

Approved as to form by:

  
\_\_\_\_\_  
Deputy Attorney General for Attorney General

APPROVED BY BOARD OF EXAMINERS

On 4-10-07  
\_\_\_\_\_  
(Date)

On 3/19/07  
\_\_\_\_\_  
(Date)



## AMENDMENT #1 TO CONTRACT

Between the State of Nevada  
Acting By and Through Its

Department of Conservation and Natural Resources  
123 W. Nye Lane, Room 230  
Carson City, Nevada 89706-0818

And

Westergard Engineering, Inc.  
207 Carville Circle  
Carson City, Nevada 89703

1. AMENDMENTS. All provisions of the original contract dated September 18, 2003, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

Current Contract Language:

AGREEMENT TERM. This contract shall become effective from Board of Examiner's Approval (09/18/03) to August 31, 2004, unless sooner terminated by either party as specified in paragraph (9).

CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$100.00 per hour with the total Contract or installments payable: monthly, not to exceed \$9,999.00.

Amended Contract Language:

The Contractor's name is being changed from: Roland D. Westergard to Westergard Engineering, Inc.

AGREEMENT TERM. This contract shall become effective from September 18, 2003 to August 31, 2007, unless sooner terminated by either party as specified in paragraph (4).

INCORPORATED DOCUMENTS. This Contract amendment incorporates the following attachments:  
Revised Exhibit "A"

CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$120.00 per hour with the total Contract or installments payable: monthly with the original contract amount of \$9,999.00 increased by \$40,001.00 for a total amount of \$50,000.00.

2. INCORPORATED DOCUMENTS. Exhibit A (Original Contract) is attached hereto, incorporated by reference herein and made a part of this amended contract.

3. REQUIRED APPROVAL. This amendment to the original contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

[Signature] 8-6-04  
Independent Contractor's Signature Date

[Signature] 8/6/04  
Signature Date

[Signature]  
Signature - Board of Examiners

Approved as to form by: [Signature]

[Signature]  
Deputy Attorney General for Attorney General

President  
Independent Contractor's Title

Director  
Title

APPROVED BY BOARD OF EXAMINERS

On 9-13-04  
(Date)

On 5 Aug 2004  
(Date)

EXHIBIT "A"

FEE SCHEDULE

August 31, 2004

Listed herein is a schedule of fees for engineering services by Roland D. Westergard

PROFESSIONAL

RATE/HOUR

Consultant

\$120.00

OFFICE

Clerical

\$20.00 - \$30.00

Mileage

Current State Rate

Per Diem

Current State Rate





## CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract Between the State of Nevada  
Acting By and Through Its  
Department of Conservation & Natural Resources  
123 W. Nye Lane, Suite 230  
Phone: (775) 687-4360  
Facsimile: (775) 687-6122

(NAME, ADDRESS, PHONE AND FACSIMILE NUMBER OF CONTRACTING AGENCY)

and  
Roland D. Westergard  
207 Carville Circle  
Carson City, Nevada 89703  
Phone: (775) 882-3506  
Facsimile (775) 882-3506  
SS# 530-26-1208

(NAME, ADDRESS, PHONE, FACSIMILE NUMBER, FEDERAL ID, NUMBER OF INDEPENDENT CONTRACTOR)

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor are both necessary and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. **REQUIRED APPROVAL.** This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.
2. **DEFINITIONS.** "State" means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS §41.0307. "Independent Contractor" means a person or entity that performs services and/or provides goods for the State under the terms and conditions set forth in this Contract. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.
3. **CONTRACT TERM.** This Contract shall be effective from upon Board of Examiner's approval to August 31, 2004, unless sooner terminated by either party as specified in paragraph (9).
4. **NOTICE.** Unless otherwise specified, termination shall not be effective until 30 calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified above.
5. **INCORPORATED DOCUMENTS.** The parties agree that the scope of work shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence; a Contractor's Attachment shall not contradict or supersede any State specifications, terms or conditions without written evidence of mutual assent to such change appearing in this Contract:

ATTACHMENT AA:	SCOPE OF WORK – See Attached Agreement
ATTACHMENT BB:	CONTRACTOR'S RESPONSE – See Attached Agreement
ATTACHMENT CC:	AFFIDAVIT OF REJECTION OF COVERAGE

6. **CONSIDERATION.** The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of \$ 100.00 per hour (state the exact cost or hourly, daily, or weekly rate exclusive of travel or per diem expenses) with the total Contract or installments payable: monthly, not to exceed \$ 9,999.00. The State does not agree to reimburse Contractor for

expenses unless otherwise specified in the incorporated attachments. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.

8. TIMELINESS OF BILLING SUBMISSION. The parties agree that timeliness of billing is of the essence to the contract and recognize that the State is on a fiscal year. All billings for dates of service prior to July 1 must be submitted to the State no later than the first Friday in August of the same year. A billing submitted after the first Friday in August, which forces the State to process the billing as a stale claim pursuant to NRS 353.097, will subject the Contractor to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to the State of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to the Contractor.

9. INSPECTION & AUDIT.

a. Books and Records. Contractor agrees to keep and maintain under general accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the State Auditor, the relevant state agency or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.

c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used in the Contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. CONTRACT TERMINATION.

a. Termination Without Cause. Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

b. State Termination for Nonappropriation. The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.

c. Cause Termination for Default or Breach. A default or breach may be declared with or without termination. This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

- i. If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or
- ii. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or
- iii. If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or
- iv. If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or
- v. If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

vi. If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.

d. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph (4), and the subsequent failure of the defaulting party within 15 calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

e. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contracting Agency;

iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;

iv. Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with paragraph (20).

11. REMEDIES. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for State-employed attorneys. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any State breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed 150% of the contract maximum "not to exceed" value. Contractor's tort liability shall not be limited.

13. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents.

15. INDEPENDENT CONTRACTOR. Contractor is associated with the State only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract, Contractor is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for the State whatsoever with respect to the indebtedness, liabilities, and obligations of Contractor or any other party. Contractor shall be solely responsible for, and the State shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of the State; (4) participation or contributions by either Contractor or the State to the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage provided by the State. Contractor shall indemnify and hold State harmless from, and defend State against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Contractor nor its employees, agents, or representatives shall be considered employees, agents, or representatives of the State. The State and Contractor shall evaluate the nature of services and term negotiated in order to determine "independent contractor" status and shall monitor the work relationship throughout the term of the Contract to ensure that the independent contractor relationship remains as such. To assist in determining the appropriate status (employee or independent contractor), Contractor represents as follows:

		<u>Contractor's Initials</u>	
		YES	NO
1.	Does the Contracting Agency have the right to require control of when, where and how the independent contractor is to work?	<u>A. J. W.</u>	
2.	Will the Contracting Agency be providing training to the independent contractor?		<u>A. J. W.</u>
3.	Will the Contracting Agency be furnishing the independent contractor with worker's space, equipment, tools, supplies or travel expenses?	<u>A. J. W.</u>	
4.	Are any of the workers who assist the independent contractor in performance of his/her duties employees of the State of Nevada?		<u>A. J. W.</u>
5.	Does the arrangement with the independent contractor contemplate continuing or recurring work (even if the services are seasonal, part-time, or of short duration)?	<u>A. J. W.</u>	
6.	Will the State of Nevada incur an employment liability if the independent contractor is terminated for failure to perform?		<u>A. J. W.</u>
7.	Is the independent contractor restricted from offering his/her services to the general public while engaged in this work relationship with the State?		<u>A. J. W.</u>

16. **INSURANCE SCHEDULE.** Unless expressly waived in writing by the State, Contractor, as an independent contractor and not an employee of the State, must carry policies of insurance in amounts specified in this Insurance Schedule and pay all taxes and fees incident hereunto. The State shall have no liability except as specifically provided in the Contract. The Contractor shall not commence work before:

- 1) Contractor has provided the required evidence of insurance to the Contracting Agency of the State, and
- 2) The State has approved the insurance policies provided by the Contractor.

Prior approval of the insurance policies by the State shall be a condition precedent to any payment of consideration under this Contract and the State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of the State to timely approve shall not constitute a waiver of the condition.

**Insurance Coverage:** The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by the State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until the latter of:

1. Final acceptance by the State of the completion of this Contract; or
2. Such time as the insurance is no longer required by the State under the terms of this Contract.

Any insurance or self-insurance available to the State shall be excess of and non-contributing with any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the State, Contractor shall provide the State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

**Workers' Compensation and Employer's Liability Insurance – SEE ATTACHED AFFIDAVIT OF REJECTION**

- 1) Contractor shall provide proof of worker's compensation insurance as required of Nevada Revised Statutes Chapters 616A through 616D inclusive.
- 2) Employer's Liability insurance with a minimum limit of \$500,000 each employee per accident for bodily injury by accident or disease.  
If this contract is for temporary or leased employees, an *Alternate Employer* endorsement must be attached to the Contractor's workers' compensation insurance policy.

- 3) If the Contractor qualifies as a sole proprietor as defined in NRS Chapter 616A.310, and has elected to not purchase industrial insurance for himself/herself, the sole proprietor must submit to the contracting State agency a fully executed "Affidavit of Rejection of Coverage Under NRS 616B627 and NRS 617.210" form.

**Commercial General Liability Insurance - WAIVED PER RISK MANAGEMENT**

- 1) Minimum Limits required:
- |          |   |
|----------|---|
| \$ _____ | General Aggregate                         |
| \$ _____ | Products & Completed Operations Aggregate |
| \$ _____ | Personal and Advertising Injury           |
| \$ _____ | Each Occurrence                           |
- 2) Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

**Business Automobile Liability Insurance**

- 1) Minimum Limit required: **\$300,000.00** Each Occurrence for bodily injury and property damage.
- 2) Coverage shall be for "any auto" (including owned, non-owned and hired vehicles).  
The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

**Professional Liability Insurance - WAIVED PER RISK MANAGEMENT**

- 1) Minimum Limit required: \$ \_\_\_\_\_ Each Claim
- 2) Retroactive date: Prior to commencement of the performance of the contract
- 3) Discovery period: Three (3) years after termination date of contract.
- 4) A certified copy of this policy may be required.

**Umbrella or Excess Liability Insurance - WAIVED PER RISK MANAGEMENT**

- 1) May be used to achieve the above minimum liability limits.
- 2) Shall be endorsed to state it is "As Broad as Primary Policy"

**Commercial Crime Insurance - WAIVED PER RISK MANAGEMENT**

Minimum Limit required: \$ \_\_\_\_\_ Per Loss for Employee Dishonesty

This insurance shall be underwritten on a blanket form amending the definition of "employee" to include all employees of the Vendor regardless of position or category.

**Performance Security - WAIVED PER RISK MANAGEMENT**

Amount required: \$ \_\_\_\_\_

- 1) Security may be in the form of surety bond, Certificate of Deposit or Treasury Note payable to the State of Nevada, only.
- 2) The security shall be deposited with the contracting State agency no later than ten (10) working days following award of the Contract to Contractor.
- 3) Upon successful Contract completion, the security and all interest earned, if any, shall be returned to the Contractor.

**General Requirements:**

- a. **Additional Insured:** By endorsement to the general liability insurance policy evidenced by Contractor, *The State of Nevada, (the agency), its officers, employees and immune contractors* as defined in NRS41.0307 shall be named as additional insureds for all liability arising from the Contract.
- b. **Waiver of Subrogation:** Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.
- c. **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- d. **Deductibles and Self-Insured Retentions:** Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the State. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-

insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by the Risk Management Division.

- e. Policy Cancellation: Except for ten days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) days prior written notice to the State of Nevada, c/o Contracting Agency, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address shown below.
- f. Approved Insurer: Each insurance policy shall be:
  - 1) Issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and
  - 2) Currently rated by A.M. Best as "A- VII" or better.

#### **Evidence of Insurance:**

Prior to the start of any Work, Contractor must provide the following documents to the contracting State agency:

- 1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor.
- 2) Additional Insured Endorsement: An Additional Insured Endorsement (CG20 10 or C20 26) , signed by an authorized insurance company representative, **must** be submitted to the State to evidence the endorsement of the State as an additional insured per General Requirements, Subsection a above.
- 3) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

Review and Approval: Documents specified above must be submitted for review and approval by the State prior to the commencement of work by Contractor. Neither approval by the State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Contractor or its sub-contractors, employees or agents to the State or others, and shall be in addition to and not in lieu of any other remedy available to the State under this Contract or otherwise. The State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

**Mail all required insurance documents to the Contracting Agency identified on page one of the contract.**

17. COMPLIANCE WITH LEGAL OBLIGATIONS. Contractor shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. The State may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

18. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20. ASSIGNMENT/DELEGATION. To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Contractor shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written consent of the State.

21. STATE OWNERSHIP OF PROPRIETARY INFORMATION. Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under the Contract), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of the State and all such materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of

Contractor's obligations under this Contract without the prior written consent of the State. Notwithstanding the foregoing, the State shall have no proprietary interest in any materials licensed for use by the State that are subject to patent, trademark or copyright protection.

22. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.

24. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this Contract:

a. Contractor certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

25. LOBBYING. The parties agree, whether expressly prohibited by federal, State or local law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

a. Any federal, state, county or local agency, legislature, commission, counsel or board;

b. Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or

c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

26. WARRANTIES.

a. General Warranty. Contractor warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

b. System Compliance. Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multicentury formulas and data values and date data interface values that reflect the century. Pursuant to NRS 41.0321, the State is immune from liability due to any failure of any incorrect date being produced, calculated or generated by a computer or other information system.

27. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.

28. GOVERNING LAW; JURISDICTION. This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-interest that would require the application of the law of any other jurisdiction. Contractor consents to the jurisdiction of the Nevada district courts for enforcement of this Contract.

29. ENTIRE CONTRACT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Roland D. Westergard 9-5-03 Contractor - Consultant  
Independent Contractor's Signature Roland D. Westergard Date Independent's Contractor's Title

R. Michael Turnipseed 9/5/03 Director  
Signature R. Michael Turnipseed Date Title

Lucy Zeier 9/11/03 DCNR Fiscal Services ASO III  
Signature Lucy Zeier Date Title

Signature Date Title

John P. Cuneo  
Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

Approved as to form by:

George A. Taylor  
Deputy Attorney General for Attorney General

On 9-18-03  
(Date)

On 9/9/03  
(Date)



AGREEMENT

THIS AGREEMENT, effective upon approval by the Board of Examiners, by and between the DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES OF THE STATE OF NEVADA, hereinafter referred to as "DCNR", and ROLAND D. WESTERGARD, hereinafter referred to as "Consultant";

WITNESSETH:

WHEREAS, NRS 284.173 authorizes elective officers, heads of departments, boards, commissions or institutions to engage, subject to the approval of the Board of Examiners, services of persons as independent contractors; and,

WHEREAS, P.L. 101-618 which was enacted by the Congress of the United States provides that the States of Nevada and California and the Secretary of Interior shall negotiate a Truckee River operating agreement and provides that the State of Nevada perform other acts and duties related to administration of water rights and management of water supplies of Lake Tahoe and the Truckee and Carson Rivers; and

WHEREAS, the State of Nevada is a party to litigation involving Lake Tahoe and the Truckee and Carson Rivers and portions of P.L. 101-618 effectiveness is dependent on dismissal of certain litigation; and

WHEREAS, P.L. 101-618 provides that the requirements of the National Environmental Policy Act and Regulations issued to implement the provisions thereof be satisfied; and

WHEREAS, an Environmental Impact Statement/Environmental Impact Report is required by the environmental review process; and

WHEREAS, the required Statement/Report is currently under development and review; and

WHEREAS, DCNR deems it necessary and desirable and in the best interests of the State of Nevada to have the services of an advisor for the purposes of preparation and presentation of the position on behalf of the State of Nevada in the aforescribed actions; and

WHEREAS, Consultant represents that he is duly qualified and able to render the services hereinafter described;

NOW, THEREFORE, IT IS AGREED as follows:

1. Consultant shall act as an advisor to the State of Nevada in the preparation and presentation of the State's position in the above-described actions, and related matters.
2. In furtherance thereof, Consultant agrees to make such related studies and investigations as DCNR deems necessary for the preparation and presentation of the State's position.
3. The nature and extent of said studies and investigations shall be as specified by DCNR, but the methods and procedures to be utilized in accomplishing the work shall be determined by Consultant.
4. Consultant agrees from time to time, when called upon by DCNR, to provide written reports as to the status of the work and the findings and conclusions obtained from it.
5. Consultant's charges for his services hereunder shall be in accordance with the schedule of charges attached hereto as Exhibit "A", provided

however, the maximum amount payable under this contract shall not exceed \$9,999.00 per year, which costs include travel and all of the expenses incurred by Consultant in performance of this contract.

6. Consultant shall submit statements for his services hereunder to the State of Nevada on a monthly basis. Payment will be made from funds appropriated to DCNR. However, it is anticipated that funds expended will be reimbursed by the United States Commissioner of Reclamation under P.L. 108-7, 2/20/03.

7. The term of this Agreement is one (1) year, commencing upon Board of Examiner's approval.

This Contract may be revoked without cause by the State of Nevada upon thirty (30) days written notice of revocation to Consultant. The continued performance by the State of Nevada is also conditioned upon sufficient funds being available appropriated to DCNR.

8. The materials and information gathered and compiled by Consultant in its performance of this Agreement shall be treated confidential and shall not be divulged to others except with the approval of DCNR.

9. This Contract shall be construed and interpreted according to the laws of the State of Nevada.

10. The Consultant shall neither assign, transfer nor delegate any rights, obligations or duties under this Agreement without the prior written consent of the State.

11. The books, records, documents and accounting procedures and practices of the Consultant relevant to this Agreement shall be subject to inspection, examination and audit by the State, or the State Legislative Auditor.
12. Any reports, studies, photographs, negatives or other documents or drawings prepared by Consultant in the performance of its obligations under this Agreement shall be the exclusive property of the State and all such materials shall be remitted to the State by Consultant upon completion, termination or cancellation of this Contract. Consultant shall not use, willingly allow or cause to have such materials used for any purpose other than the performance of Consultant's obligations under this Agreement without the prior written consent of the State.
13. Consultant agrees to indemnify and save and hold the State, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this Agreement by Consultant or Consultant's agents or employees.
14. The parties agree that Consultant is an independent contractor and that this Contract is entered into in accordance with NRS 284.173, which statute in pertinent part provides that the Consultant is not a State employee, and

"There shall be no:

- 1) Withholding of income taxes by the State;
- 2) Industrial insurance coverage provided by the State;
- 3) Participation in group insurance plans which may be available to employees of the State;

- 4) Participation or contributions by either the independent contractor or the State to the public employees retirement system;
- 5) Accumulation of vacation leave or sick leave;
- 6) Unemployment compensation coverage provided by the State if the requirements of NRS 712.085 for independent contractors are met.”

15. This Contract constitutes the entire Agreement between the parties and may only be modified by a written amendment signed by the parties and approved by the Board of Examiners.

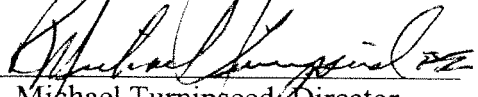
16. It is expressly understood and agreed that this Contract is subject to the approval of the Board of Examiners and the State of Nevada is not obligated under this Contract prior to such approval.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the

5<sup>th</sup> day of September, 2003.

DEPARTMENT OF CONSERVATION  
AND NATURAL RESOURCES  
THE STATE OF NEVADA

By

  
R. Michael Turnipseed, Director

By

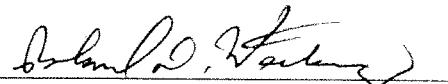
  
Roland D. Westergard

EXHIBIT "A"

FEE SCHEDULE

August 28, 2003

Listed herein is a schedule of fees for engineering services by Roland D. Westergard

PROFESSIONAL

RATE/HOUR

Consultant

\$100.00

OFFICE

Clerical

\$20.00 - \$30.00

Mileage

Current State Rate

Per Diem

Current State Rate

STATE OF NEVADA )  
 ) SS.  
CARSON CITY COUNTY )

1. I make the following assertions pursuant to NRS 616B.627 and NRS 617.210.
2. I am a sole proprietor who will not use the services of any employees in the performance of this Contract with the State of Nevada.
3. In accordance with the provisions of NRS 616B.659, I have not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of NRS, relating to .
4. I am otherwise in compliance with the terms, conditions and provisions of chapters 616A to 616D, inclusive, of NRS.
5. In accordance with the provisions of NRS 617.225, I have not elected to be included within the terms, conditions and provisions of chapter 617 of NRS.
6. I am otherwise in compliance with the terms, conditions and provisions of chapter 617 of NRS.
7. I acknowledge that the State of Nevada will not be considered to be my employer or the employer of my employees, if any; and that the State of Nevada is not liable as a principal contractor to me or my employees, if any, for any compensation or other damages as a result of an industrial injury or occupational disease incurred in the performance of this Contract.
8. Further affiant sayeth not.

Robert D. Westgar

SIGNED and SWORN to before me this 17<sup>th</sup> day of September, 2003.

Bonnie Henderson  
NOTARY PUBLIC

